
Spouse/Divorced Spouse Annuity



United States of America
Railroad Retirement Board
<http://www.rrb.gov>

Introduction

This booklet contains important information regarding your spouse or divorced spouse annuity under the Railroad Retirement Act (RRA). We recommend that you read **Part I** before you file your application. It explains the requirements you must meet to qualify for a spouse or divorced spouse annuity.

The employee must file a separate application to qualify for an employee annuity before you can be paid a spouse or divorced spouse annuity on the employee's earnings record. Booklet RB-1 *Age and Service Employee Annuity* explains the employee application and entitlement requirements.

You must file a Form AA-3 *Application for Spouse/Divorced Spouse Annuity* and meet the requirements explained in Part I of this booklet in order to receive a railroad retirement spouse or divorced spouse annuity.

Part II of this booklet explains what will happen after you file your application and includes a discussion of how and when you will receive your monthly payments.

The Railroad Retirement Board (RRB) representatives at the field office nearest you will be happy to discuss and explain the information included in this booklet. You can call the RRB Help Line at 1-800-808-0772, to find the RRB field office nearest you, based on your Zip Code.

Your railroad retirement annuity is affected by certain "events" that may occur. A description of these events and an explanation of how you should report them is covered in the Booklet RB-9 *Employee and Spouse Annuities - Events That Must Be Reported*. Because these events can take place any time after you receive your annuity payments, you should keep the RB-9 booklet for future reference.

Other Booklets of Interest

IB-2 *Railroad Retirement and Survivor Benefits*

RB-3 *Furnishing Evidence to Support Your Claim*

Also visit the RRB Web site at <http://www.rrb.gov>.

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Part I

Applying for Your Annuity

A spouse annuity is a monthly amount paid to the wife or husband of a retired railroad employee. A divorced spouse annuity is a monthly amount paid to a person who is legally divorced from the employee. This section includes information on the requirements you must meet to receive a spouse or divorced spouse annuity, and when your annuity could begin.

You may file your application and the required proofs up to three months before your annuity beginning date. We recommend that you read the chapters in this part of the booklet and the Booklet RB-3 *Furnishing Evidence to Support Your Claim* before you come to the RRB field office to file your annuity application.

Chapter 1 - Marriage Requirement for Spouse or Divorced Spouse Annuity

In order to qualify for a spouse annuity, you must meet the marriage requirement described in Section A. The different marriage requirements for a divorced spouse annuity are described in Section B.

A. Spouse Annuity - The marriage requirement for a spouse annuity is met if **any** of following conditions exist:

1. you have been married to the railroad employee for at least one year immediately prior to filing your spouse annuity application; or,
2. you are the natural parent of the railroad employee's child; or,
3. you were eligible for a widow(er)'s, parent's, or disabled child's annuity under the RRA in the month before your marriage to the employee.

B. Divorced Spouse Annuity - The marriage requirement for a divorced spouse annuity is met if your marriage ended by a final divorce decree and **all** of the following requirements apply:

1. You were married to the railroad employee for at least 10 consecutive years immediately preceding the date of your final divorce decree; and,
2. You are divorced from that railroad employee; and,
3. You are not currently married to anyone. (If you remarried after the divorce from the employee, the later marriage must have terminated.)

Chapter 2 - Age Requirements for Spouse or Divorced Spouse Annuity

You may qualify for a spouse annuity or divorced spouse annuity if the employee meets the qualifying age requirement. If you do not have the employee's *Child-in-Care* you must also meet an age requirement. Your age requirement is explained in this chapter and summarized in the appendixes to this booklet. The term *Child-in-Care* is explained in Chapter 4.

A. Spouse Annuity - The employee must attain a certain age to qualify you for a spouse annuity based on age or based on *Child-in-Care*

If the employee has attained the qualifying age, you may then qualify for a spouse annuity at any age if you have the employee's *Child-in-Care*.

Otherwise, your own age requirement for a spouse annuity depends on both the employee's total months of railroad service and the employee's annuity beginning date. Your *Full Retirement Age* affects the amount of any age reduction to your spouse annuity as explained in Chapter 3.

1. *Employee's Annuity Beginning Date After December 31, 1974, With 10-29 Years of Railroad Service* - The employee must be at least age 62 and currently receiving an employee annuity to qualify you for a spouse annuity. You must have attained age 62 for a full month.
2. *Employee's Annuity Beginning Date After June 30, 1974, With at Least 30 Years of Railroad Service* - The employee must be at

least age 60 and currently receiving an employee annuity to qualify you for a spouse annuity. You must have attained age 60 for a full month.

3. **Employee Annuity Began Before July 1, 1974 or From July 1, 1974, through December 31, 1974, With Less Than 30 Years of Railroad Service** - The employee must be at least age 65 and currently receiving an employee annuity to qualify you for a spouse annuity. You must have attained age 62 for a full month.

B. Divorced Spouse Annuity - The employee must attain age 62 to qualify you for a divorced spouse annuity. You must have attained age 62 for a full month.

Chapter 3 - Age Reduction for Spouse or Divorced Spouse Annuity

A. Basic Formula - Regular railroad retirement annuities are calculated under a two-tier formula:

1. The first tier is based on railroad retirement credits and any social security credits an employee has acquired. The amount of the first tier is calculated using social security formulas, but with railroad retirement age and service requirements.
2. The second tier is based on railroad retirement credits only, and may be compared to the retirement benefits paid over and above social security benefits to workers in other industries.

B. Full Retirement Age - The term *Full Retirement Age* means the age at which you can receive a full spouse Tier 1 benefit or divorced spouse Tier 1 benefit, unreduced for early retirement. *Full Retirement Age* also affects Tier 1 annuity deductions due to earnings over the *Annual Earnings Exempt Amount*, as described in Chapter 10.

Full Retirement Age for the Tier 1 age reduction is age 65 for any spouse or divorced spouse who attains age 62 before January 1, 2000. The *Full Retirement Age* for spouses and divorced spouses attaining age 62 after 1999 will gradually

increase over a 20-year period to age 67, as illustrated in the following chart. *Full Retirement Age* for a spouse Tier 2 age reduction will remain at age 65 if the employee had any creditable railroad service before August 12, 1983. Otherwise, the *Full Retirement Age* for a spouse Tier 2 age reduction will gradually increase in the same manner as *Full Retirement Age* for the spouse Tier 1 age reduction.

DETERMINING YOUR FULL RETIREMENT AGE

If your year of birth is;	Then your Full Retirement Age is:
Before 1-2-1938	65
1-2-1938 thru 1-1-1939	65 and 2 months
1-2-1939 thru 1-1-1940	65 and 4 months
1-2-1940 thru 1-1-1941	65 and 6 months
1-2-1941 thru 1-1-1942	65 and 8 months
1-2-1942 thru 1-1-1943	65 and 10 months
1-2-1943 thru 1-1-1955	66
1-2-1955 thru 1-1-1956	66 and 2 months
1-2-1956 thru 1-1-1957	66 and 4 months
1-2-1957 thru 1-1-1958	66 and 6 months
1-2-1958 thru 1-1-1959	66 and 8 months
1-2-1959 thru 1-1-1960	66 and 10 months
1-2-1960 and later	67

C. Spouse Annuity - Your spouse annuity age reductions depend on the employee's total years of railroad service and your *Full Retirement Age*. Your Tier 2 age reduction also depends on whether or not the employee has railroad service before August 12, 1983.

1. **Employee Has at Least 30 Years of Railroad Service With Some Railroad Service Before August 12, 1983** - If the employee attained age 60 or acquired 30 years railroad service before July 1, 1984, your Tier 1 and Tier 2 are not reduced for early retirement.

If the employee attained age 60 or acquired 30 years railroad service after June 30, 1984, your Tier 2 will not have an age reduction. Your Tier 1 will be reduced for early retirement if:

- The employee retired based on age and service before attaining age 62 and you are receiving a spouse annuity based on a child of the employee in your care. Your Tier 1 age reduction is 1/2 of the employee's age reduction until the

month you both have attained age 62. When both you and the employee have attained age 62, your age reduction is removed as long as you have an eligible child of the employee in your care.

- The employee retired based on age and service before attaining age 62 and you are receiving a spouse annuity based on your age. Your Tier 1 age reduction is 1/2 of the employee's age reduction until the month you both have attained age 62. Effective the month both you and the employee have attained age 62, your age reduction is then your Tier 1 reduced by 1/144 for each of the first 36 months you are under *Full Retirement Age* and by 1/240 for each additional month you are under *Full Retirement Age* in that month.
 - The employee retired based on disability with an annuity beginning date of July 1, 1984, or later. You are deemed to be at least age 62 on your spouse annuity beginning date. Your Tier 1 is then reduced by 1/144 for each of the first 36 months you are under *Full Retirement Age* and by 1/240 for each additional month you are *Full Retirement Age*.
2. *Employee Has 10 - 29 Years of Railroad Service With Some Railroad Service Before August 12, 1983* - Your Tier 1 is reduced by 1/144 for each of the first 36 months you are under *Full Retirement Age* and by 1/240 for each additional month you are under *Full Retirement Age* on your annuity beginning date.
- Your Tier 2 is reduced by 1/144 for each month you are under age 65 on your annuity beginning date.
3. *Employee Has No Railroad Service Before August 12, 1983* - Your Tier 1 and Tier 2 are reduced by 1/144 for each of the first 36 months you are under *Full Retirement Age* and by 1/240 for each additional month you are under *Full Retirement Age* on your annuity beginning date.

D. *Divorced Spouse* - A divorced spouse annuity is limited to Tier 1 only. Your annuity is reduced by 1/144 for each of the first 36 months you are under *Full Retirement Age* and by 1/240 for each additional month you are under *Full Retirement Age* on your annuity beginning date. However, if you were entitled to a spouse annuity before your final divorce from the employee, any previous spouse annuity age reduction is applied to your divorced spouse annuity.

Chapter 4 - Spouse Annuity Based on Child-In-Care

A. *Spouse Annuity* - A wife may qualify for a full spouse annuity, or a husband may qualify for a Tier 1 only spouse benefit, based on a child of the employee in care. The employee must have attained age 62 (or age 60 with 30 years of service) to qualify the spouse for this annuity. The child must be either:

- A minor child under age 18; or,
- A child age 18 or older with a permanent disability which began before the child attained age 22 and prevents any type of regular employment.

The term **Child-in-Care** includes the railroad employee's dependent and unmarried natural child, adopted child or stepchild, or under certain conditions a grandchild whose parents are deceased or disabled. A child is in your care if you exercise parental control over, and are responsible for, the welfare and care of the child. If the child is permanently disabled, but mentally competent, he or she is considered to be in your care if you perform personal services. The RRB will make the final determination regarding the personal services you perform and whether or not they constitute the child being in your care.

B. *Divorced Spouse Annuity* - There is no provision in the Railroad Retirement Act for a divorced spouse annuity based on *Child-in-Care*.

Chapter 5 - Additional Requirements You Must Meet to Receive a Divorced Spouse Annuity

The marriage requirement for a divorced spouse annuity is explained in Chapter 1 and the age requirement for a divorced spouse annuity is explained in Chapter 2. In order to qualify for a divorced spouse annuity, the following conditions must also apply:

- You cannot be entitled to a benefit from the Social Security Administration (SSA) based on your own earnings that is equal to or greater than your divorced spouse annuity; and,
- You cannot be entitled to another RRA annuity on a different claim number that is equal to or greater than your divorced spouse annuity; and,
- Your divorced spouse annuity cannot begin before the railroad employee's annuity begins.

Chapter 6 - Selecting Type of Annuity on Your Application

When you file your application for a spouse annuity or divorced spouse annuity, you must indicate the type of annuity for which you are filing.

A. Spouse Annuity - Your type of annuity is based on the total amount of the employee's railroad service and whether you are entitled based on your age or *Child-in-Care*.

1. **Choose Full Age Annuity** - If you do not want an age reduction in your spouse annuity, choose *Full Age Annuity*. You should also indicate whether or not you would accept a *Reduced Age Annuity* should you be found not eligible for a *Full Age Annuity*. *Full Age Annuity* means that:
 - a. You have attained *Full Retirement Age*; and,
 - b. You did not previously receive an age reduced spouse annuity or age reduced divorced spouse annuity on the same earnings record.

2. **Choose Annuity Based on Children** - If you want your annuity to be based on a child of the employee in your care, regardless of your age, choose *Annuity Based on Children*. You should also indicate whether or not you would accept a reduced age annuity should you be found not eligible for a full annuity based on *Child-in-Care*.
3. **Choose Reduced Age 62 Annuity** - If you have attained the age requirement for a spouse annuity, but have not yet attained *Full Retirement Age*, and the employee has less than 30 years railroad service, choose *Reduced Age 62 Annuity*. If you previously received a spouse annuity or divorced spouse annuity on the same earnings record that had an age reduction, choose *Reduced Age 62 Annuity*.
4. **Choose Reduced 60/30 Age Annuity** - If the employee has at least 30 years of railroad service and retired before attaining age 62, choose *Reduced 60/30 Age Annuity*. Your entries will be edited mechanically based on the employee's annuity on record at the RRB. If an age reduction does not apply, the RRB will adjust your entry to *Full Age Annuity*.

B. Divorced Spouse Annuity - Your type of annuity depends on your age and whether you were previously entitled to an annuity on the same earnings record.

1. **Choose Full Age Annuity** - If you do not want an age reduction in your divorced spouse annuity, choose *Full Age Annuity*. You should also indicate whether or not you would accept a *Reduced Age Annuity* should you be found not eligible for a *Full Age Annuity*. *Full Age Annuity* means that:
 - a. You have attained *Full Retirement Age*; and,
 - b. You did not receive an age reduced spouse annuity before your divorce.
2. **Choose Reduced Age 62 Annuity** - If you have attained the age requirement for a divorced spouse annuity, but have not yet attained *Full Retirement Age*, choose *Reduced Age 62 Annuity*.

3. **Choose Divorced Spouse With Previous Spouse Annuity Age Reduction** - If you previously received a spouse annuity on this earnings record that had an age reduction and that terminated due to your divorce from the employee, choose *Divorced Spouse With Previous Spouse Annuity Age Reduction*.

Chapter 7 - Cessation of Railroad Work

In addition to the requirements described in Chapters 1 through 5, if you are working for a railroad, you must stop the railroad work and give up any rights you have to return to such work. Also note that, after the annuity is awarded, payment cannot be made for any month in which you return to work for a railroad employer.

You also cannot return to railroad work as a consultant if your responsibilities are similar to the duties you had before you ceased railroad employment.

Chapter 8 - Non-Railroad Work

Non-railroad work is any job you may have had that was not in the railroad industry. Earnings after your *Annuity Beginning Date* (ABD) from any non-railroad employment or self-employment may cause work deductions as explained in this chapter and Chapter 10.

A. Your Last Pre-Retirement Non-Railroad Employer - Your *Last Pre-Retirement Non-Railroad Employer* (LPE) is the term that generally refers to any non-railroad employer for whom you performed service at the same time or after you stopped railroad employment, but before your ABD. If you never worked in the railroad industry, your LPE is the non-railroad employer for the last job you held.

Your annuity application asks for your last two non-railroad jobs because you may have more than one LPE employer. For example, if you are employed full-time for one non-railroad employer and part-time for a second non-railroad employer before your spouse ABD, both employers are LPE.

Work in Canada for a railroad whose principal operation is in Canada has never been covered employment under the RRA. Effective January 1, 1983, or later, work in Canada by a Canadian citizen or permanent resident of Canada for a railroad whose principal operation is in the United States is not covered employment under the RRA. Both of these types of work, which are called *Canadian Service*, are considered to be non-railroad service. *Canadian Service* will not provide you with railroad service months. If you are in *Canadian Service* when you file for your spouse annuity, you do not have to stop this work to receive your annuity. This work would be considered your LPE and is subject to LPE work deductions.

Work as a public official (whether elected or appointed) within the year prior to your annuity beginning date would be considered LPE and is subject to LPE work deductions.

B. Service After the Annuity Beginning Date For Your LPE Employer - Any non-railroad

work begun before your ABD that continues or is resumed **after your ABD** may be considered LPE. Even work for which you are paid minimal earnings can be LPE. LPE can affect your Tier 2 as explained in Chapter 10.

C. Non-Railroad Work That is not Considered LPE - Some types of non-railroad work are

not considered LPE, no matter when they are done. The following types of non-railroad work do not have an effect on payment of your Tier 2.

1. military service; or,
2. mail handling under contract for the U.S. Post Office; or,
3. jury duty; or,
4. employment for which you are reimbursed only for your expenses; or,
5. self-employment.

If you are claiming self-employment, you should complete and return Form AA-4 *Self-Employment and Substantial Service Questionnaire*. This questionnaire will provide

the RRB with the necessary information to correctly determine if your work is actually self-employment or employment for an incorporated business or former employer. If you are working for an incorporated business that you own, the RRB does not consider that work self-employment. If you are self-employed in an unincorporated business, the RRB considers how your self-employment compares to the work you did for your former employer before you applied for your annuity.

Also note that any non-railroad employment **after your ABD**, for an employer that you never worked for before your ABD, is not LPE and does not have an effect on your Tier 2. It can, however, cause Tier 1 work deductions, as explained in Chapter 10.

Chapter 9 - When Your Annuity Can Begin

You must file an Application AA-3 *Application for Spouse/Divorced Spouse Annuity* to receive railroad retirement spouse or divorced spouse benefits.

If you were previously entitled to spouse benefits based on *Child-in-Care* that terminated when the child attained age 18, you may need to file a new Application AA-3. This application is required to pay spouse benefits based on your age. Please discuss this with an RRB representative.

When you file an application, you may select the day you want your annuity to begin. You have two choices: the earliest date permitted by law, or a **later** date designated by you that may be to your advantage.

Most applicants select the earliest date permitted by law. This means the RRB will set your annuity beginning date as the very first day it could legally begin. If you choose to select a beginning date yourself, your annuity will begin on that date. However, the date you choose cannot be before the earliest date permitted by law.

A. Spouse Annuities - The earliest date permitted by law is the latest of the following:

1. the first day of the month you meet the marriage requirement; or

2. the day after the day you last worked in the railroad industry; or,
3. the first day of the first full month in which you are age 62 if the employee has less than 30 years of service; or,
4. the first day of the first full month in which you are age 60 if the employee has at least 30 years of service; or,
5. the first full month in which you are *Full Retirement Age* if the employee has less than 30 years of service and you file for a *Full Age Annuity*; or,
6. the first day of the month in which you filed your annuity application if you filed after the month in which you attain age 62 and before the month in which you attained *Full Retirement Age*; or,
7. the first day of the month in which you have the employee's *Child-in-Care*, regardless of the dates in Items 4-6; or,
8. the first day of the sixth month prior to the month in which you filed your annuity application if your annuity is not reduced for age.

However, your spouse annuity will not begin before the railroad employee's annuity begins or before the railroad employee meets the age requirement described in Chapter 2.

If items 1-5 apply, you can file your application up to three months before the earliest annuity beginning date permitted by law.

B. Divorced Spouse Annuities - The earliest date permitted by law for a divorced spouse is the latest of the following:

1. the first day of the month in which your decree of absolute divorce becomes final; or,
2. the day after the day you last worked in the railroad industry; or,
3. the first day of the first full month in which you are *Full Retirement Age* if you file for a *Full Age Annuity*; or,

4. the first day of the first full month in which you are age 62; or,
5. the first day of the month in which you file your annuity application if you file in a month before the month in which you attain *Full Retirement Age*; or,
6. the first day of the sixth month prior to the month in which you file your annuity application if your RRA annuity is not reduced for age; or
7. the first day of the twelfth month prior to the month in which you file your application if your RRA annuity is not reduced for age; and:
 - a. you file before the month in which the employee attains *Full Retirement Age* and,
 - b. the employee is a disability annuitant or a 60/30 annuitant with a disability freeze.

However, your divorced spouse annuity will not begin before the railroad employee's annuity begins or before the railroad employee attains age 62.

If items 1- 4 apply, you can file your application up to three months before the earliest annuity beginning date permitted by law.

Note that, if you delay filing for benefits, you may lose benefits for some or all of the period before the month in which you file.

Chapter 10 - How Earnings Affect Your Annuity

Your annuity is not payable for any month in which you or the employee are in railroad service. In addition, non-railroad earnings after your annuity beginning date can have an effect on your annuity as explained in this chapter.

A. Tier 1 Work Deductions - If both you and the employee are *Full Retirement Age* or older, on your annuity beginning date, you may skip to section B of this chapter. You are not affected by work deductions to your Tier 1 benefit.

If either you or the employee are under *Full Retirement Age*, earnings from any non-railroad employment (including self-employment) over the *Annual Earnings Exempt Amount* must be reported to the RRB because they may cause work deductions to your Tier 1 benefit, as explained below.

The term *Annual Earnings Exempt Amount* means the amount of money you or the employee can earn in a year without losing part of your annuity. There are separate *Annual Earnings Exempt Amounts* for persons under *Full Retirement Age* and for the year in which the person attains *Full Retirement Age*. *Full Retirement Age* is explained in Chapter 3. Refer to Appendix D and to Form G-77a *How the Amount of Earnings Affects Payment of Retirement Annuities* for the *Annual Earnings Exempt Amounts* to use when completing the earnings items on your annuity application.

1. **Definition of Earnings for Tier 1 Work Deductions** - In general, earnings restrictions apply to gross earnings from employment and net earnings from self-employment. Gross earnings are all salaries, commissions, bonuses, retroactive wage increases, or any allowances for room or board. If these earnings are from an employer covered under the Social Security Act, the amount of the gross earnings is equal to the amount reported for social security Federal Insurance Contributions Act (FICA) tax. Net earnings from self-employment equal the amount of gross income minus expenses that were reported for social security tax under the Self-Employment Contributions Act (SECA). Add your earnings from employment and self-employment together to determine the total earnings for the year for the purpose of Tier 1 work deductions.

Do not include as earnings any money which you received for any reason other than work, such as interest from savings, income investments, gifts, inheritances, pensions or other retirement benefits.

When employees have earnings over the *Annual Earnings Exempt Amount* for their age group, the excess is charged against their annuity and the annuities of all others entitled on their earnings record.

However, a divorced spouse who has been divorced from the employee at least two years will not be affected by the employee's earnings effective from the second anniversary of the divorce.

2. **Exception for First Year of Entitlement** - In the year your annuity begins, deductions are based on your earnings for the entire year, not just the earnings after you retire. However, deductions are assessed differently. A special rule is used to apply work deductions in the first year after your annuity begins in which you have a non-work month. For many people, this is the year their annuity begins. A non-work month is a month in which you earn less than the *Monthly Earnings Exempt Amount* for your age (the *Annual Earnings Exempt Amount* for your age divided by twelve) or, if self-employed, render no substantial services. (The RRB uses Form AA-4 *Self-Employment and Substantial Service Questionnaire* to determine months in which you rendered no substantial services.)

In the year the special rule is applied, deductions are not applied to any non-work month. If you have high earnings before your annuity begins but do not earn more than the *Monthly Earnings Exempt Amount* in any month after your annuity begins, Tier 1 deductions will not be required. If you do earn more than the *Monthly Earnings Exempt Amount* in one or more months after your annuity begins, deductions are assessed to those months up to the amount required based on your total earnings for the year.

After the first year in which you have a non-work month, this monthly test does not apply. If your earnings are high enough, deductions will be assessed to your annuity for the entire year, even if you only work part of the year.

3. **Exception for Social Security Benefit Entitlement** - No earnings deductions are made by the RRB in your Tier 1 if you are receiving social security benefits. Earnings deductions may be made by the Social Security Administration in your social security benefit.

B. Tier 2 Benefit Work Deductions - Employees must report earnings from their own *Last Pre-Retirement Non-Railroad Employment* (LPE). They are charged work deductions against their Tier 2 benefit and their supplemental annuities, if any, and the Tier 2 of all others entitled on their earnings record. LPE is explained in Chapter 8.

Also, you must report your own earnings from LPE in or after the month your annuity begins. These LPE earnings will reduce your Tier 2 benefit. The reduction is \$1 for each \$2 earned (subject to a maximum reduction of 50 percent of the Tier 2). The reduction to Tier 2 occurs at any age, even after *Full Retirement Age*. There is no *Annual Earnings Exempt Amount* (or *Monthly Earnings Exempt Amount* for the first year of entitlement) for LPE work deductions. LPE work deductions apply no matter how much money you earn in LPE.

Earnings from self-employment or other non-railroad employment are not added to your LPE earnings when computing Tier 2 work deductions.

Chapter 11 - Social Security Benefits

If you are entitled to Social Security (SS) benefits based on any wage record, your Tier 1 will be offset for those SS benefits. This is why your SS benefits are certified to the RRB for payment. If you have already filed for your SS benefits, it is important to include the SS benefit information on your annuity application. This will help to prevent an overpayment of your annuity.

Your railroad retirement application may be used to protect your filing date for SS benefits if you have not yet filed at the Social Security Administration (SSA) and will be entitled to the SS benefits within three months. This means the date you file your railroad retirement application can be used as the date you file for SS benefits. If you want to use your railroad retirement application to protect your filing date, the RRB representative will prepare Form RR-8 *Notice of Protection of Filing Date For Social Security Benefits* and send a copy to your local SSA office. The SSA office will contact you to secure an application for SS benefits.

Your railroad retirement application may protect your filing date, but it is not an application for SS benefits. You must file a separate application for those benefits at SSA.

In many cases, filing for SS benefits will not affect your total benefit rate, because of the deduction in your Tier 1. It is usually not to your advantage to apply for benefits at both agencies. It is a good idea to discuss this matter with an RRB representative before deciding to file for SS benefits. Contact your local RRB office for information about your situation before filing at SSA.

Chapter 12 - Other Railroad Retirement Annuities

If you are entitled to more than one Railroad Retirement Act (RRA) annuity, the other RRA annuity can have an effect on your spouse or divorced spouse annuity.

A. *Spouse Annuity* - The reduction to your RRA annuity depends on railroad service before January 1, 1975.

1. If you are entitled to both an RRA employee annuity on your own earnings record, and an RRA spouse annuity on a different earnings record, railroad service before January 1, 1975, on either earnings record, will allow the "other benefit" reduction in your spouse annuity Tier 1 to be restored to your spouse annuity Tier 2; or,
2. If neither earnings record has railroad service before January 1, 1975, your RRA spouse annuity (Tier 1 and Tier 2) is reduced by your own RRA employee annuity (Tier 1 and Tier 2). The reduction is not restored to your RRA spouse annuity Tier 2.

B. *Divorced Spouse Annuity* - If you are entitled to both an RRA employee annuity on your own earnings record, and an RRA divorced spouse annuity on a different earnings record, your RRA divorced spouse annuity is reduced by your RRA employee annuity.

C. *Survivor Annuity* - If you are entitled to both an RRA spouse/divorced spouse annuity and

an RRA survivor annuity on a different earnings record, only the higher of your RRA spouse/divorced spouse annuity or your RRA survivor annuity is payable unless you elect to receive only the smaller benefit.

Chapter 13 - Public Service Pensions

Any *Public Service Pension* (PSP) payable to you may have an effect on the amount of your spouse or divorced spouse Tier 1. A PSP is retirement pay you receive for public service employment. This may either be monthly payments or a lump-sum payment. It may be administered by a government agency or a private insurance company. If you are currently entitled to, or will be entitled to, a PSP (or lump-sum payment that is more than just a refund of your own contribution to the pension fund), include Form G-208 *Public Service Pension Questionnaire* with your annuity application.

Public service means service performed for the Federal Government of the United States, a state government, or any political subdivision of a state, such as a city, county, town, township, village, school or sanitation district. The definition of state includes the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

A military service pension based entirely on active duty before 1957 will cause a PSP reduction.

Form G-208 lists the exemptions to the PSP offset: The PSP offset will not apply to your Tier 1 if:

1. social security Federal Insurance Compensation Act (FICA) taxes were being deducted on your last day of state or local government employment. Note that a person covered under the Federal Civil Service Retirement System (CSRS) who has a payroll deduction for Medicare only tax does not qualify for this exemption; or,
2. you were covered mandatorily under the Federal Employees Retirement System (FERS) when you were initially hired or rehired; or,
3. you worked in Federal employment which is covered under Social Security for 60 months or more during the period beginning January 1988 and ending with the first month of entitlement

to spouse's benefits. The months need **not** be consecutive; or,

4. your public service employer was an inter-state instrumentality (i.e. rare cases in which two or more states are organized as a corporation to perform a governmental function). They are not considered public service employers for reduction purposes; or,
5. your public service employer was a government of a foreign country (such as Canada); or,
6. your government pension payments are social security, railroad retirement, veterans affairs, worker's compensation or black lung benefits.

b. outpatient hospital services, or

c. a number of other medical services and supplies that are not covered by the *Hospital Insurance* (Part A) of Medicare.

B. *Medical Insurance (Part B) at Age 65 or Older*- Enrollment for *Medical Insurance* (Part B) depends on your age when you file your annuity application.

1. If you are under age 64 and 5 months old when you file your annuity application, you will be automatically enrolled in *Medical Insurance* (Part B) at age 65, unless you decline this coverage.
2. If you are at least 64 years and 5 months old, when you file your annuity application, you can use your spouse annuity application to enroll for the *Medical Insurance* (Part B).

If you accept *Medical Insurance* (Part B), you must pay a premium for each month you have this insurance. If you receive an annuity, the premium will usually be deducted from your monthly annuity rate.

If you do not want *Medical Insurance* (Part B) at age 65, and then later decide that you do want to sign up, your protection may be delayed and your premiums may be more expensive.

If, at any time, you wish to cancel the enrollment that you make on your annuity application, you must contact the nearest office of the RRB.

C. *Special Enrollment Period (SEP)* - You may delay enrolling in *Medical Insurance* (Part B) coverage without penalty if you are covered under an *Employer Group Health Plan* (EGHP) at age 65. The EGHP may be based on your own employment or the employee's employment. You may enroll in *Medical Insurance* (Part B) at any time while you are covered under the EGHP; or, you can enroll during a *Special Enrollment Period* (SEP). Your SEP begins when employment on which the EGHP is based ends, or the first month you are no longer covered under the EGHP, whichever comes first. The SEP lasts for 8 months.

Chapter 14 - Medicare Coverage and You

A. *General Information About Medicare* -

Medicare is a two part Federal health insurance program for people who are age 65 or older; who are disabled; or who have kidney failure. One part of Medicare is *Hospital Insurance* (also known as Part A) and the other part is *Medical Insurance* (also known as Part B).

1. *Hospital Insurance*-*Hospital Insurance* (Part A) can help pay for four kinds of care:
 - a. Inpatient hospital care.
 - b. Inpatient care in a skilled nursing facility following a hospital stay.
 - c. Care in your home by a home health agency.
 - d. Hospice care.

As soon as you are determined to be eligible for Medicare, you will automatically be enrolled for *Hospital Insurance* coverage (Part A). You do not pay a monthly premium for your Medicare *Hospital Insurance* (Part A).

2. *Medical Insurance*-*Medical Insurance* (Part B) can help pay for additional kinds of medically necessary care:
 - a. Doctors' services, or

If you have an EGHP, you need to file a Form G-44b *Application for Medical Insurance Under Medicare* to enroll in *Medical Insurance* (Part B) and include it with your annuity application. Please discuss this with your local RRB field office. The beginning date of your *Medical Insurance* (Part B) coverage depends on the status of your EGHP enrollment when you file for the *Medical Insurance* (Part B).

1. If you file for *Medical Insurance* (Part B) during any month in which you are enrolled in an EGHP, or in the first full month of your SEP, you can choose the effective date of your *Medical Insurance* (Part B). This effective date can be the first day of the month you file or the first day of any of the following three months after the month of filing; or,
2. If you file for *Medical Insurance* (Part B) during the other seven months of your SEP, your *Medical Insurance* (Part B) will begin the first day of the month after the month you file. The beginning date can be no later than the ninth month after the start of your SEP.

Example - If your EGHP is based on employment that ends on March 19, and you file for *Medical Insurance* (Part B), the following applies:

- If you file anytime after March 19, and before April 1, you can choose the effective date of March 1, April 1, May 1, or June 1, for your *Medical Insurance* (Part B); or,
- If you file anytime in April, you can choose the effective date of April 1, May 1, June 1, or July 1, for your *Medical Insurance* (Part B) or,
- If you file anytime during the period May 1 through November 30, your *Medical Insurance* (Part B) will begin effective the month after the month in which you file your annuity application.

If you are already enrolled in *Medical Insurance* (Part B) and are paying higher premiums due to late enrollment, and you had EGHP coverage at age 65, you may use your

annuity application to request a review of the *Medical Insurance* (Part B) premium rate you are paying.

- D. *Medicare Plus Choice*** - Starting in 1999, Medicare offers more health plan choices. One of the new health plan choices might be right for you. The choice is yours. Whatever you decide, you can still have Medicare protection. All Medicare health plans must provide all services covered by Medicare.

To be eligible for the other Medicare health plan choices:

1. You must have *Hospital Insurance* (Part A) and *Medical Insurance* (Part B); and,
2. You must not have End-Stage Renal Disease.

You must live in the service area of a health plan. The service area is the geographic area where the plan accepts enrollees. For plans that require you to use their doctors and hospitals, it is also the area where services are provided.

- E. *Early Medicare Based on Disability*** - The RRA does not provide a spouse annuity based on disability.

If you are totally disabled for all employment, you can be covered by early Medicare before age 65 on your own earnings record. If you have at least 10 years of railroad service, refer to booklet RB-1d *Employee Disability Benefits* for an explanation of the disability requirements. Otherwise, you should contact SSA to file for early Medicare on your own earnings record.

- F. *More Information About Medicare*** -

Call 1-(800)-MEDICARE (1-800-633-4227) 24 hours a day for automated options:

- to request *Medicare and You* handbooks or audio tapes in English or Spanish;
- to request updated general information about health plans in your area; and,
- to listen to prerecorded answers to frequently asked questions.

Otherwise, call this number between 8:00 a.m. and 4:30 p.m., local time Monday through Friday, to get general information about Medicare supplemental insurance (Medigap) and telephone numbers for help with more complex questions about health insurance.

Part II

After You Apply for Your Annuity

The chapters in this part of the booklet explain what the RRB does after you file your annuity application. Included is important information about how soon you can expect a decision on your application.

Chapter 15 - Notice of Decision About Your Application

After you sign your application, your application and proofs are forwarded to RRB Headquarters in Chicago, Illinois, to determine if you can be paid a spouse or divorced spouse annuity. Our goal is to process your application as quickly as possible.

Claims for some benefits may take longer to handle than others if they are more complex, or if we have to get information from other people or organizations. If this happens, we will give you an explanation and an estimate of the time required to make a decision.

Sometimes we will not be able to make a decision on your application for benefits without some additional information from you. If so, we will contact you by telephone or mail and ask you to send us the required forms, proofs, or statements.

If you do not receive a notice that additional information is needed, you should receive the decision on your annuity application as follows:

A. *Advanced Filing Cases* - When you file up to 90 days before the earliest date your annuity can begin (see Chapter 9), you should receive your annuity award letter and first payment within 35 days of the date your annuity can begin. However, note that no payment is due until the first day of the month after the first month of annuity entitlement, as explained in Chapter 16.

B. *Other Than Advance Filing Cases* - If you do not file your annuity in advance of the earliest date in which your annuity can begin, you should receive your annuity award letter and first payment within 65 days from the date you file your annuity application.

C. *Annuity Denial* - If you cannot be paid an annuity, the RRB will send you a decision within 35 days of the beginning date you requested, if you filed in advance, or 65 days of the date you filed, if you did not file in advance, explaining:

1. why you cannot be paid; and,
2. what you can do if you disagree with the reason you cannot be paid. If you think we made the wrong decision about your benefits, you have the right to ask for a review and to appeal.

Chapter 16 - How Payments Are Made

The first payment you receive from the RRB will be separate from your annuity award letter. Annuities are payable at the beginning of the month following the month for which the annuity accrued. The payment that you receive at the beginning of the month actually represents the annuity that accrued for the previous month.

A. *Advance Filing Cases* - When you file up to 90 days before the earliest date your annuity can begin (see Chapter 9), no payment is due until the first day of the month after the first month of annuity entitlement.

B. *Other Than Advance Filing Cases* - If you are not filing in advance of your annuity beginning date, the initial payment may be a partial payment, with an estimated monthly rate, representing payment due through the end of the preceding month. You will continue to receive this partial amount until your final rate can be determined and awarded. Once your final rate has been certified, you will receive any increase due from your annuity beginning date. You may receive this payment at any time during the month.

The payment that you receive after your initial payment will be made once a month on the first

day of the month. If the first day of the month falls on a Sunday or a holiday, the payment will be received on the next business day. The payment that you receive at the beginning of each month actually represents the annuity that accrued for the previous month.

Withholding for Federal income tax may occur, either based on your election filed on Form W-4P *Withholding Election Form* or based on a status of "married with 3 dependents."

Chapter 17 - Direct Deposit to a Financial Organization

The Federal Government now requires all government payments to be sent directly to a savings or checking account at a financial institution instead of being sent to the recipient's home. Under the RRB's direct deposit program, your monthly annuity payment will be made directly to your savings or checking account at your financial institution. You will find that this is both safe and convenient.

If you decline direct deposit based on hardship, you can still take advantage of the direct deposit program at a later date. Telephone or visit your RRB field office. Have your personal check or bank statement handy because they contain the information needed to start direct deposit. The field office personnel will enter the information into our payment system and tell you when the direct deposit will take effect.

You may also take one of your annuity checks to your financial institution and ask them to complete an automated Quick\$tart enrollment or a Form SF-1199A *Authorization for Deposit of Federal Recurring Benefits*. Your financial institution will have these forms on hand. Shortly after the RRB receives your direct deposit information, your monthly annuity payment will start going directly to your savings or checking account.

Even though your payments are on direct deposit, be sure to keep your home address on our records current as explained in Chapter 18.

Chapter 18 - Change of Address

Notify the nearest RRB office immediately if you change your address, even when your monthly

annuity payments are going directly to your savings or checking account. All correspondence from the RRB is sent to your home mailing address on record. This mailing address is used to send any material other than your payments to you (such as notices or cost-of-living increases, Medicare information, new *Annual Earnings Exempt Amounts*, and tax statements). If you do not report your change of address, the RRB cannot be responsible for any important information that you do not receive.

A notice of change of address must be in writing and always include:

1. your RRB claim number;
2. your name;
3. your new address;
4. your old address;
5. the date you will start receiving mail at the new address;
6. a statement that your notice applies to both you and the employee or applies to you alone; and,
7. your signature or the signature of your representative.

Chapter 19 - When Your Annuity Is Not Payable

A. Spouse Annuity - A spouse annuity is not payable for any month in which:

1. the employee's annuity is not payable; or,
2. you work for a railroad employer; or,
3. neither you nor the employee began railroad service before 1975 and you become entitled to your own RRA employee annuity that exceeds the amount of the spouse annuity; or,
4. you become entitled to an RRA survivor annuity on a different RRB earnings record that exceeds the spouse annuity rate.

B. *Divorced Spouse Annuity* - A divorced spouse annuity is not payable for any month in which:

1. the employee's annuity is not payable; or,
2. you work for a railroad employer; or,
3. you become entitled to an RRA employee annuity on your own earnings record that exceeds your RRA divorced spouse annuity rate.

Chapter 20 - When Your Annuity Ends

A. *Spouse Annuity* - A spouse annuity ends the month before the month in which:

1. you die; or,
2. the employee dies. (A widow(er)'s annuity may become payable at this time); or,
3. the employee's entitlement to an employee annuity terminates due to recovery from disability; or,
4. your marriage to the employee ends by absolute divorce. (A divorced spouse annuity may become payable at this time); or,
5. your marriage to the employee is dissolved by annulment; or,
6. the child qualifying you for an annuity is no longer in care or attains age 18 or recovers from disability. Your spouse annuity will end unless you are old enough to receive a spouse annuity based on age.

B. *Divorced Spouse Annuity* - A divorced spouse annuity ends the month before the month in which:

1. you die; or,
2. the employee dies. (A surviving divorced spouse annuity may become payable at this time); or,

3. the employee's entitlement to an employee annuity terminates due to recovery from disability; or,
4. you marry; or,
5. you become entitled to social security benefits on your own earnings record that are greater than the RRA divorced spouse gross annuity; or,
6. you become entitled to an RRA survivor annuity on another claim number that exceeds the amount of the RRA divorced spouse annuity.

Chapter 21 - Records You Should Keep

We recommend that you keep this booklet, even after you file your annuity application. It contains important information concerning your entitlement to railroad retirement benefits.

You should also keep the following:

1. your annuity award notice or denial notice; and,
2. any notes from the RRB representatives who helped you file your annuity application. The notes should detail any special aspects of your claim (such as why a certain employer was or was not your *Last Pre-Retirement Nonrailroad Employer* or why a pension is not a *Public Service Pension*); and,
3. a copy of your Federal Income Tax Form W-4P, *Withholding Election Form* and,
4. a copy of the RB-9 Booklet *Employee and Spouse Annuities - Events That Must Be Reported*, to help you comply with the RRB's reporting requirements.

Your *Full Retirement Age* is explained in Chapter 3 of this booklet.

Use Appendices A-C to determine the age requirement for your spouse annuity and to determine if an age reduction would apply. Use Appendix D to determine the effect of your non-railroad earnings on your spouse annuity.

Appendix A

SPOUSE AGE REQUIREMENTS - EMPLOYEE HAS AT LEAST 360 MONTHS OF RAILROAD SERVICE

If the employee retired:	and the employee:	your spouse annuity can begin the first full month you are age 60. Your Tier 1 will:	and your Tier 2 will:
based on age and attained both age 60 and 360 months railroad service before July 1, 1984,	retired after July 1, 1974, at age 60 or later,	not have an age reduction.	not have an age reduction.
based on age and attained either age 60 or 360 months of railroad service on July 1, 1984, or later,	retired at age 60 through age 61,	have an age reduction based on the employee's age reduction until both you and the employee have attained age 62. You will then have an age reduction based on the number of months you are under <i>Full Retirement Age</i> when both you and the employee have attained age 62.	not have an age reduction.
based on age and attained either age 60 or 360 months of railroad service on July 1, 1984, or later,	retired at age 62 or later,	not have an age reduction.	not have an age reduction.
based on disability with 30 years of service and an annuity beginning date before July 1, 1984,	has attained age 60,	not have an age reduction.	not have an age reduction.
based on disability with 30 years service and an annuity beginning date of July 1, 1984, or later,	has attained age 60,	have an age reduction if you retire before attaining your <i>Full Retirement Age</i> . (You are deemed age 62 on your ABD.)	not have an age reduction.

Appendixes

Appendix B

SPOUSE AGE REQUIREMENTS -EMPLOYEE HAS 120 - 359 MONTHS OF RAILROAD SERVICE

If the employee retired:	and the employee has attained:	your spouse annuity can begin the first full month you are age 62. Your Tier 1 will:	and your Tier 2 will:
before 1975	age 65,	have an age reduction if you retire before attaining your <i>Full Retirement Age</i> .	have an age reduction if you retire before attaining age 65.
January 1, 1975 or later, including some railroad service before August 12, 1983	age 62,	have an age reduction if you retire before attaining your <i>Full Retirement Age</i> .	have an age reduction if you retire before attaining age 65.
January 1, 1975, or later, without any railroad service before August 12, 1983	age 62,	have an age reduction if you retire before attaining your <i>Full Retirement Age</i> .	have an age reduction if you retire before attaining your <i>Full Retirement Age</i> .

Appendix C

DIVORCED SPOUSE AGE REQUIREMENTS

If the employee is:	and the employee has attained:	your divorced spouse annuity can begin the first full month:	Your Annuity will:
receiving an employee annuity	age 62,	you are age 62.	have an age reduction if you retire before attaining your <i>Full Retirement Age</i> .

Appendix D

EFFECT OF EARNINGS ON YOUR ANNUITY

For a year:	You may lose up to \$1 in Tier 1 benefits for every	The reduction:
in which you attain <i>Full Retirement Age</i> ,	\$3.00 of earnings over the <i>Annual Earnings Exempt Amount</i> for your age group. However, your earnings are only counted for months before the month in which you attain <i>Full Retirement Age</i> .	is removed effective the month in which you attain <i>Full Retirement Age</i> .
you are under <i>Full Retirement Age</i> for the entire year,	\$2.00 of earnings over the <i>Annual Earnings Exempt Amount</i> for your age group.	applies for the full year.
you work outside the U.S. for 45 or more hours per month,	\$2.00 of earnings. There is no <i>Annual Earnings Exempt Amount</i> for work outside the U.S. However, your earnings are only counted for months before the month in which you attain <i>Full Retirement Age</i> .	is removed effective the month in which you attain <i>Full Retirement Age</i> .

Fraud and Abuse Hot Line

Call the toll-free **Hot Line** if you have any reason to believe that someone is receiving railroad retirement benefits to which he or she is not entitled, that persons responsible for the financial affairs of minors or incompetent beneficiaries are misappropriating benefits; or that a doctor, hospital, or other provider of health care services is performing unnecessary or inappropriate services or is billing Medicare for services not received. You may also use the **Hot Line** to report any suspected misconduct by a Railroad Retirement Board (RRB) employee. The **Hot Line** has been installed by the RRB's Inspector General to receive any evidence of fraud or abuse of the RRB's benefit programs.

In Illinois, you may call 1-312-751-4336; outside Illinois, call (toll-free) 1-800-772-4258. Or you may send your complaints in writing to: RRB, OIG, Hot Line Officer, 844 North Rush Street, Chicago Illinois 60611-2092. ***Please do NOT call the Hot Line with questions about eligibility requirements, delayed claims, or similar problems. Such matters should be directed to the nearest RRB field office.***

Nondiscrimination on the Basis of Disability

Under Section 504 of the Rehabilitation Act of 1973 and Railroad Retirement Board (RRB) regulations, no qualified person may be discriminated against on the basis of disability.

RRB programs and activities must be accessible to all qualified applicants and beneficiaries, including those with impaired vision or hearing. Persons with disabilities needing assistance (including auxiliary aids or program information in accessible formats) should contact the nearest RRB office.

Complaints of alleged discrimination by the RRB on the basis of disability must be filed within 90 days in writing with the:

DIRECTOR OF ADMINISTRATION
RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
CHICAGO, ILLINOIS 60611-2092

Questions about individual rights under this regulation may be directed to the RRB's Director of Equal Opportunity at the same address.

U.S. Railroad Retirement Board

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Official Business

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RB-30